UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

| Case No. | SACV 12-1310 AG (RNBx) | Date | October 1, 2012 |
|----------|-----------------------------------|------|-----------------|
| Title | KPC, LLC v. VALIDAS, INC., et al. | | |

| Present: The Honorable | ANDREW J. GUILFORD | |
|------------------------|-------------------------------|----------------------|
| Lisa Bredahl | Not Present | |
| Deputy Clerk | Court Reporter / Recorder | Tape No. |
| Attorneys Present | for Plaintiffs: Attorneys Pre | sent for Defendants: |

Proceedings: [IN CHAMBERS] ORDER TO SHOW CAUSE RE DISMISSAL FOR LACK OF SUBJECT MATTER

JURISDICTION AND LACK OF VENUE

On August 13, 2012, Plaintiff filed this Complaint against Defendants Validas, Inc., Validas Holdings, Inc., and Validas, LLC (together, "Defendants"). Plaintiff asserts that this Court has subject matter jurisdiction under 28 U.S.C. § 1332(a).

At this time the Court cannot determine if there is complete diversity between the parties and therefore proper subject matter jurisdiction, because the Complaint fails to state the citizenship of each of the owners or members of Plaintiff KPC, LLC. "[L]ike a partnership, an LLC is a citizen of every state of which its owners/members are citizens." *Johnson v. Columbia Props. Anchorage, LP*, 437 F.3d 894, 899 (9th Cir. 2006).

The Court also is not convinced that venue is proper in the Central District of California. The primary agreement in this contract case states: "Any legal action or proceeding with respect to this Agreement shall be brought in the courts of the State of California or of the United States of America for the *northern* District of California" (Compl. ¶ 21.) Plaintiff argues that the venue clause should not apply because both parties mistakenly agreed to it and actually intended that it read "Central District" rather than "Northern

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District." Plaintiff also alleges that Defendants agreed in writing that venue would be proper in this District, but the Court was unable to find any factual allegations supporting this assertion in Plaintiff's Complaint.

Accordingly, the Court orders Plaintiff to show cause in writing within 14 days of this order why this action should not be dismissed for lack of subject matter jurisdiction, dismissed for improper venue, or transferred to the Northern District of California. Defendants may respond within seven days of Plaintiff's filing.

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| Initials of | | | |
| Preparer | lmb | | |